

IRON AND STEEL OUTLOOK

ORDERS FOR ABOUT 225,000 TONS OF RAILS REPORTED.

A Moderate Steady Movement in Foot Market Today—Movement on Foot to Consolidate Important Pennsylvania Bar Mills—Orders for Cars.

Orders for steel rails aggregating about 225,000 tons and increased mill activities are the notable features of the week in the iron and steel industries, according to the trade journals. The iron age says:

The event of the week has been the allotment of the greater part of the Harriman order for rails, of which 70,000 to 80,000 tons went to Chicago, 10,000 tons thereof to be open hearth rails, 10,000 tons to the Tennessee company, and 12,000 tons to the Mexican part of the system, to the Carnegie company. The Colorado Fuel and Iron company was awarded between 21,000 and 25,000 tons. The Tennessee company resumed single turn at Ensey last week, having booked 5,000 tons for the Georgia Central and the system to the Erie, 2,700 tons for the Pennsylvania and Arkansas, and 1,200 tons for the Elton, Joliet and Easton. An order was also placed for 10,000 tons for a road whose name is withheld. Altogether very close to 225,000 tons of rails have been booked, and there is still a feeling among makers that the railroads are unduly holding back business.

There has been a good deal of exaggeration about purchases of cars. Among the cars recently placed on order for the Pennsylvania Central and 500 for the Reading road, with 3,500 pending for the Baltimore and Ohio. All the plates and shapes so to Pittsburgh mills.

Atlantic coast shippers have been taking additional business, and some of them are comfortably full for a good part of the year.

Only a moderate business has been done in pig iron, but the markets are steady, with some tendency toward hardening. Some quarters of the country, however, have been made by steel companies for 50,000 to 40,000 tons of pig iron for delivery in the second half of the year.

A movement is on foot to bring about a consolidation among some of the smaller companies in the central and eastern Pennsylvania. It has nothing to do with the merger of mills recently announced.

The Iron Trade Review says: Mill activities continue to increase, and with the exception of the danger of a strike against the open shop policy of the American Sheet and Tin Plate Company, developments in the iron and steel industry are favorable. The market is steady, and in Germany there are large accumulations of coke and pig iron and business in general is poor.

Supportive transactions are reported in the iron, although there is a steady run of small orders and prices are well maintained. In the erection of new buildings activity continues, and one of the most important firms of architects in the country reports that it is having more building and remodeling plans presented than at any time in its history.

In the Chicago district it is estimated that projects involving 100,000 tons are being figured, and that the total for the year will be in excess of 1,000,000 tons. The leading interest in that territory last week amounted to about 6,000 tons. The Reading has ordered 500 steel cars from the Standard Steel Car Company. The Central of New Jersey has ordered 300 steel gondolas from the American Steel Foundry Company, and an order for 1,000 steel hoppers will go to the Standard Steel Car Company. Present plans of the Baltimore and Ohio call for 3,500 eight cars, seventy passenger coaches and fifty locomotives, but it is expected that the entire purchase this year will exceed 10,000 cars. The Great Northern is inquiring for 1,000 box cars. The plate market shows considerable improvement. The South Chicago mill has closed contracts for 7,000 tons since June 1.

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Florida East Coast 4-1/2.

Public offering has been made by J. P. Morgan & Co., the National City Bank and the First National Bank of \$10,000,000 first mortgage 4 1/2% of the Florida East Coast Railway. The bonds offered at 102 1/2 and interest. The total issue authorized is \$12,000,000, running for fifty years. The railroad is now operating 574 miles of road and has an extension of 45 miles to Key West under construction. In connection with the sale of these bonds Henry M. Flagler, the owner of the road, will purchase \$1,000,000 more of common stock at par to build this extension. The property under the mortgage is the entire line, and offering of bonds will then have cost \$17,000,000.

The entire indebtedness of the company will be funded subsequent and subordinate to these new bonds.

New Members for Erie Board.

New members on the Erie board besides Judge E. H. Gary and L. F. Loeve will include, it was said yesterday, George W. Perkins and Judge R. S. Lovett, counsel for the Union Pacific.

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ERIE MAY ISSUE BONDS.

\$1,000,000 4 Per Cents. Under Its First Consolidated Mortgage Deed.

ALBANY, June 23.—The up-State Public Service Commission after a hearing yesterday granted the petition of the Erie Railroad Company to issue \$1,000,000 4 per cent. consolidated mortgage bonds under its first consolidated mortgage deed, dated December 10, 1885, to the Farmers Loan and Trust Company.

The company is authorized to pledge the bonds as security under its consolidated mortgage deed, dated April 8, 1908, to the Bankers Trust Company of New York, securing an issue of \$15,000,000 6 per cent. collateral gold bonds payable April 8, 1911. The company cannot without further authority from the commission sell any of the general lien bonds authorized by this order for less than 85 per cent. of their par value, and in case the bonds are pledged to the consolidated mortgage deed, the company cannot without further authority sell any of the bonds authorized prior to the payment and discharge of the mortgage deed. The order shall be at no time outstanding an amount of said bonds so sold and of such outstanding notes of the combined aggregate principal not to exceed \$15,000,000. The proceeds of the bonds authorized are to be applied toward the cost of improvements and additions to the property, including the improvements set forth in a previous application to the commission for a bond issue of \$30,000,000. The company is required to make a verified report of the use of the proceeds of the bonds.

NEW OIL VICE-PRESIDENTS.

John D. Rockefeller at the Meeting—Tribute to H. H. Rogers.

J. A. Moffet and John D. Rockefeller, Jr. have been elected vice-presidents of the Standard Oil Company to succeed H. H. Rogers and W. H. Tilford, deceased. The election was held at the Standard Oil building, 100 Broadway, New York, yesterday afternoon. Mr. Rockefeller was elected to the place of Mr. Rogers, and Mr. Moffet to the place of Mr. Tilford. The resolutions of regret on the death of Mr. Rogers were passed. John D. Rockefeller presided at the meeting for the first time since last November.

THE COTTON MARKET.

Another Jump of \$1 a Bale—Predictions of a Bullish July Government Report—Beneficial Rains in Texas—Season of the Alabama Legislature Postponed, and Why?

For North Carolina, South Carolina and Georgia, showers to-day and to-morrow; light to moderate showers to-day and to-morrow.

For Alabama, Mississippi, Louisiana and Texas, light showers to-day and to-morrow; light to moderate showers to-day and to-morrow.

For Arkansas, Tennessee and Kentucky, light showers to-day and to-morrow.

In the teeth of beneficial rains in Texas, favorable crop reports from some parts of the cotton belt and the fact that the liquidation by Wall Street and other holders prices again ran up over \$1 a bale, making up the loss of the week, the cotton market showed a decided improvement. The rise was due largely to big buying by the South, Liverpool and other foreign markets. The cotton crop outlook leaves much to be desired. The cotton crop in the South is reported to be about 10 per cent. below the average, and in the North it is reported to be about 25 per cent. below the average. The cotton crop in the South is reported to be about 10 per cent. below the average, and in the North it is reported to be about 25 per cent. below the average. The cotton crop in the South is reported to be about 10 per cent. below the average, and in the North it is reported to be about 25 per cent. below the average.

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THE GRAIN MARKETS.

Prices Sag—Wheat Feels Influence of Expected Free Marketing of New Crop—Northwestern Reports Favorable—Cash Prices Easier.

Wheat declined. That was traceable mainly to good weather over most of the country. Crop reports were in the main favorable. Those from Kansas were better than on Tuesday. According to one report current Kansas wheat yield was 40 bushels per acre, which was credited with estimating the Kansas yield on the previous day at 45,000,000 bushels, increased its figures to 80,000,000 bushels. Offerings of new wheat are increasing. The quality of the crop where harvesting has made progress is generally declared to be very good. Reports from the spring wheat belt continued brilliant. Advice from the Canadian Northwest were bearish. In southern Russia, according to Broadbent, rains have greatly improved the crop prospects and it is expected that the yield will be up to 10 bushels per acre. The wheat market was generally easier. The wheat market was generally easier. The wheat market was generally easier.

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TO WHOM IT MAY CONCERN:

The following are extracts from a letter written by the American Consular Agent at Esmeraldas, Ecuador, South America, in reply to a letter of inquiry from a New York business man.

The American Consular Agent's reply, from which we quote, was sent to the Department of State, at Washington, D. C., as is usual, and forwarded by them to the one making the inquiry.

AMERICAN CONSULAR SERVICE.

BUREAU OF TRADE RELATIONS FORWARDED June 14, 1909. DEPARTMENT OF STATE.

Sir: Your letter of 18th April was duly received. Your questions are so far reaching that full answers would be too voluminous for a letter. Also, limited time will necessarily permit only brief replies which, however, will be based partly on facts recorded in history, partly on facts on records in the courts of New York and of Ecuador and partly on facts within my personal knowledge.

Instead of answering your inquiries categorically, a narrative form will show more clearly the relation of events which explain the anomaly of a region where nature with impartial hand has distributed practically everywhere gold, platinum, iridium and other precious metals under conditions most favorable for mining and yet exists in these days without having become the centre of the vast industry that its resources and advantages would support.

From what I shall say, you will understand that I believe the success of mining operations in this country depends only upon sufficient capital to carry through practical plans; honest and capable directors of the company; and honest, efficient and energetic managers of operations on the property. These are points on which an intending investor can by proper care assure himself.

Yours very truly, (Signed) GEO. D. HEDIAN, American Consular Agent.

BUREAU OF TRADE RELATIONS FORWARDED June 14, 1909. DEPARTMENT OF STATE.

MINING AFFAIRS IN THE PROVINCE OF ESMERALDAS, ECUADOR.

Ever since Bartolome Ruiz, sent forward from Panama by Pizarro, in 1526, anchored his bark at front of three villages at the mouth of the Esmeraldas River and was received by three Indian chiefs wearing gold crowns, followed by the inhabitants decked with gold ornaments and bearing among other presents a quantity of gold dust, ever since the subsequent conquest of the country by Pizarro and his fellow adventurers, who were rewarded by royal grants of great territories as mines under titles which are recognized as the basis of the present mining laws, the mines of the province of Esmeraldas have been known and worked to greater or less extent.

Historical references are numerous and unequivocal in recording the fame and richness of the gold deposits in this gravelly region of an extinct race. Over seventy years ago, during the time when these mines were worked by slave labor, Cevallos wrote what is just as true to-day, "Wherever the eye is directed, or the foot treads, even in the thickest forests where the force of vegetation has hidden the work of man, will be discovered vestiges of the skill of the former inhabitants, incontrovertible proofs of their genius, clear evidences of the anterior existence of a great population. In many parts for entire leagues the land is covered with earthen pots, jars, urns and grotesque figures of clay, entire and broken. The workmen with their shovel continually striking buried urns that contain human skeletons, axes of fine stone finished with the cleverness of a modern lapidary, chisels and other instruments of gold wire or gold discs. Along the coast for leagues the waves during the high tides undermine the banks, causing great slides from the surface, uncovering very fine worked gold figures, antique and beautiful, representing bats, swords, crowns and common utensils such as spoons, plates, etc., which are not for service, because they are small, thin and of 23.5 carat gold."

For several years past mining in a primitive mode has been carried on at the mouth of the Santiago River upon a delta which was the site of a former city, and thousands of dollars worth of manufactured and native gold is being shipped every year. During the last three years Prof. Marshall H. Saville of Columbia University, an American archaeologist, as director of the George G. Heye expedition, has been making excavations in the ruins of the city, excavating mounds and gathering antiquities representing the religion, art and industry of the people who occupied this country in the sixteenth century. Proofs of extensive mining operations in this province during that period are found everywhere.

Almost the whole territory of Esmeraldas abounds in gold deposits. Those of the workmen, more than any other, productive, because of the multitude of slaves upon whom they depended for labor. These proprietors, more than any other, did not reside at the mines and the negroes, taking advantage of the prolonged absence of their patrons, rose in insubordination and revolt, the owners sold seven hundred of them, who were sent to the mines of Barbacoas.

Emancipation in 1822 paralyzed the crude but lucrative operation of these mines, and because of the consequent loss of the necessary cheap labor for the primitive mode of mining, all that could be preserved of the once princely incomes to the owners was made up of the sale of the land, which was sold to the freedmen who remained as tenants. Modern methods and appliances were unknown, and perhaps, inconceivable in those days. The liberated negroes, living in a country prodigal in vegetables, fruit and game easily obtainable for food, where bamboo and palm furnish all the shelter necessary, and where the climate is so warm and sunny as the wild animals around them, they are reluctant and many refuse to lead strangers to their little mines; the product of which is usually disposed of far from their homes, and none will disclose where a nugget has been found.

The families of the once opulent mine magnates became "land poor"; the principalities brought little or no revenue, they were forced to content themselves with the receipt occasionally of a few pounds of gold dust at the "pleasure and conscience" of the tenants. The knowledge of the practically unlimited yet unavailable riches fostered the hope which sustained them for a long time in refusing to release control to those capable of again starting the golden stream. The argonauts of modern times were therefore diverted to California, Australia, Africa and Mexico. The laws of the republic recognize the land and mine titles existing when independence was won from Spain.

Until 1880 mining in Esmeraldas was carried on in a desultory manner for the reasons mentioned. During that year an American, Mr. Otto S. Gage, a man of wide experience in business affairs, while in Ecuador had his attention drawn to these properties by one of the owners with whom arrangements were made for acquiring title if representations could be verified. Examinations were made by mining engineers eminent in their profession; they agreed on the great richness and availability of the gold deposits of the Playa de Oro property. It was declared to be equally rich and spreads over seven times the acreage, named much richer than any other mine in the area. The descendants even now are reluctant to lead strangers to the mines.

The properties being purchased, Mr. Gage organized companies for their general development and the now almost entirely known Playa de Oro property was selected as the first on which to establish a hydraulic plant of great capacity in accordance with the recommendations of the skilled engineers who had examined it. A famous engineer was engaged to superintend the construction of the plant, and the first shaft was sunk in 1882. From time to time other examinations were made of these properties and all were confirmed of those preceding, differing only in the estimates of the immense values of the deposits. The history of the republic, the unanimity of confirmation of its wealth and availability by famous mining engineers, the energy of the management, the confidence of the public and the fact that the chief money centres of America and England, attracted a body of stockholders that included a family connection of a wealthy Englishman who became a very heavy stockholder.

The first president of the company was also acquired large blocks of stock. Notwithstanding the great sums of money received from the sales of stock in New York and London, the company was found to be in financial difficulty in 1886 and on the verge of insolvency.

Through the efforts of Mr. Gage the company was again placed upon a firm basis, with sufficient money in the treasury, according to the demands of the engineers, to place the mine in production. Late in 1886 the principal English stockholders, convinced that fabulous wealth was embraced in this great extent of auriferous land in Esmeraldas, awakened to the fact that, having furnished a large part of the capital used in the development of the Playa de Oro mine which was at the time reported by the engineer to be rich in paying properties, became anxious to participate in the other greater properties, proposing a consolidation into one great company. But their overtures were refused.

During the last year a German who claims to be an American citizen and representative of capital made a series of dredging claim denunciations in two of the principal rivers in the gold district of this province. His attention was called to the existence of an undredged claim which he had made in the chief money centre of America and England, and the authorities, acting under the law which forbids such claims as belonging to the State, allowed the denunciations to pass. None of these titles or denunciations encroach upon lands held by recognized titles.

All the denunciations made by this party are at present in suspension with a view to correction. No complaint can be made by Americans of unfriendliness toward them by the Ecuadorian authorities. It is difficult to even estimate the production because much is sent through an adjoining Colombian port and the larger shippers here have a practice of accumulating their purchases until a member of the firm makes a trip to New York, when the gold is carried along in a steamer trunk as baggage, thus saving a very heavy freight and insurance charge. Whether it shall be under British or American auspices lies within the power of American capitalists to decide.

(Signed) GEO. D. HEDIAN, American Consular Agent.

ESMERALDAS, Ecuador, 12 May, 1909.

It is estimated that in this auriferous deposit there is approximately 1,200,000 Acres:

Divided about as follows—

525,000 Acres which embraces the Umibi & Cachavi Estate, are controlled by those in control of

the United States Gold Dredging and Rubber Company, and their associates.

200,000 Acres by influential Scotch and English interests—

150,000 Acres by English and American capitalists combined—

100,000 Acres by American interests apparently working in connection with the English interests.

The remaining property is not as desirable as that already taken up nor can satisfactory titles be obtained for same. The properties that have already been secured are unquestionably the richest deposits and have the best conditions for working, and are, moreover, the most accessible.

THE GREAT VALUE OF THIS DEPOSIT.

From entirely reliable sources it has been conservatively estimated by experienced engineers that this is the most extensive and richest placer deposit ever discovered. These Gold-Fields are estimated to contain more gold than California, South Africa and the Klondike combined.

Mr. J. G. Mather, formerly of the North Bloomfield Mine of California, estimated on part of the Playa de Oro property, referred to in the United States Consular Agent's letter, there were over 175 millions in sight; other engineers have estimated the value of free gold in sight on this property to be 200 millions. They have furthermore estimated the value of gold in sight on the Angostura to be 600 millions; on free gold and on the Cachavi something over 2,000 millions, making these deposits contain over approximately 1,400 millions in free gold; to this is to be added the values in the black sand, estimated by the Mathews of London to average \$200 per ton—making the total of these deposits many times the amount above stated. A prize worth the attention of American capitalists.

Mr. Raymond Payne, of the firm of F. W. Payne and Co. of London and New Zealand, recognized consulting engineers and dredge experts, examined the Umibi and Cachavi properties lately and reported conditions for dredging ideal, with very rich deposits of gold and platinum which will give handsome returns. Mr. Payne was vouched for by N. F. Palmer and George Q. Palmer of the Quintard Iron Works, New York City. Property has also been examined and reported upon favorably by many other experienced engineers.

SENOR DON LOUIS F. CARBO, Minister to the United States from Ecuador, stated about these

mines in a communication of recent date as follows:

"They are universally known in my country as very rich, and have been worked by hand labor for centuries. I am personally convinced that with proper machinery and management they would bring enormous returns."

Mr. Payne of F. W. Payne & Co., estimated that 4% of the gravel was black sand. Recent assays of this black sand made at the United States Assay Office, also by other well known assayers in this country, have shown values running above \$1,400 per ton.

Several tons of this black sand were shipped to London for assaying. The large refiners there, the Mathews, who handle the

South African gold, reported assays above \$200 per ton, and nearly one-half platinum values.

Further investigations led the owners of this and adjoining properties to believe that they have found the second great source of the world's platinum supply. At present the world gets its platinum from the Ural Mountains, and the supply there, it has been believed, is fast becoming exhausted. All attempts to find platinum in place in the earth's rocks have failed. Therefore has platinum held its place as being almost of an equal market value with gold, while its future supply has been at times a very serious question, considering its large use in the field of electricity.

The English interests have made every diplomatic move and used every subterfuge in an endeavor to conceal the value of these gold fields and discourage American investors until they had secured all the property themselves, but American interests still control the largest and most valuable of these properties.

The laws of Ecuador were amended in 1892 so as to admit mining machinery and supplies free of duty, and to exempt mining property from municipal or fiscal taxation; also to prohibit any tax or duty on the product of the mines for a period of twenty-five years from that date.

Ecuador is a republic with a conservative, stable government. The country is prosperous, its financial department is established on a gold basis, and very able men are at its head.

LEONARD L. WETMORE, Secretary & Treasurer of The United States Gold Dredging and Rubber Co., 85 Liberty St., New York City.

BUSINESS TROUBLES.

Kaufman Was Not on the Steam